



Choice Training 6-7: Liability Insurance & Fidelity Bond

1. Liability Insurance & Fidelity Bond

1.1 Title Slide



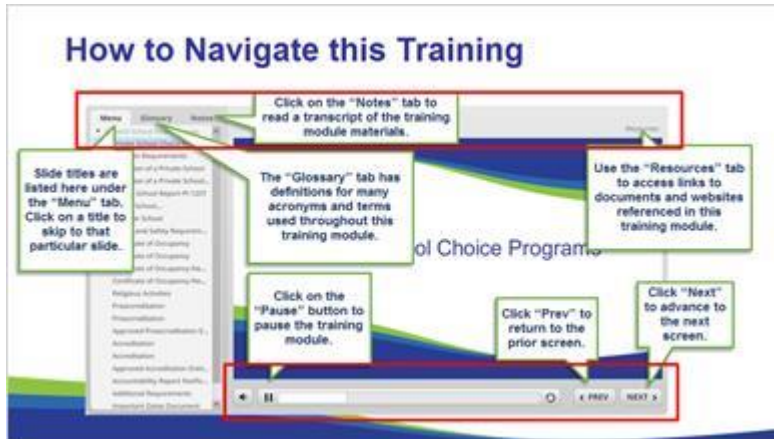
Notes:

Welcome to the Wisconsin Department of Public Instruction's training module on the Private School Choice Programs. We will refer to the Private School Choice Programs as "Choice" or "Choice program" throughout this training. The Choice program is governed by Wis. Stat. §§ 119.23 and 118.60, as well as Wis. Admin. Codes ch. PI 35 and 48. Provisions of this training module are subject to statutory and rule changes.

This section will cover liability insurance and fidelity bond requirements.



6-7.2 How to Navigate this Training Module



Notes:

Before we start, here are some tips and tools you may wish to use when viewing this training.

When listening to this training please note the buttons at the top of the training screen. Titles to all of the slides in this training are listed under the “Menu” tab on the top left of the training screen. You may watch the training in its entirety, or you may skip to a specific slide by clicking on the title of a particular slide.

Acronyms and terms that are used throughout this training are defined under the “Glossary” tab on the upper left side of the training screen. If you have any questions about a particular acronym or term that is used in this training, click on the “Glossary” tab to read the definition of that acronym or term.

The “Notes” tab has a transcript of the training materials as they are presented. If you wish to read along with the training, please click the “Notes” tab on the upper left side of the training screen.

We have also posted resources related to this training which can be found under the “Resources” link on the upper right hand side of the training screen.

Next please note the buttons at the bottom of the training screen. If you want to pause on or during a specific slide, please hit the “Pause” button. Clicking the “Prev” button will allow you to return to the previous slide and clicking the “Next” button will allow you to advance to the next slide, if you wish to advance sooner than the auto-timing.



6-7.3 Liability Insurance

Liability Insurance Basics

- The school must be current with their insurance payments.
- Either the certificate of insurance should have DPI listed as a "certificate holder" or the insurance policy should have DPI listed as an "additional insured endorsement."

Notes:

The School must be current with their insurance payments. This will be reviewed by the school's external auditor. Additionally, either the certificate of insurance should have DPI listed as a "certificate holder" or the insurance policy should have DPI listed as an "additional insured endorsement."

6-7.4 Liability Insurance

Liability Insurance Coverage and Coverage Amounts

Coverage	Required Coverage Amount
Worker's Compensation Liability Insurance	Amount required by state statute
Commercial General Liability Insurance	
Each Occurrence - Required minimum	\$1,000,000
Personal Injury - Required minimum	\$1,000,000
Umbrella Excess Liability Insurance - Aggregate Limit	\$5,000,000
Auto Liability Insurance - Each Accident	\$1,000,000
Errors and Omissions Liability for School Leaders - Aggregate Limit	\$1,000,000
Sexual Misconduct Liability - Aggregate Limit	\$1,000,000

- Coverage must meet minimum state requirements, unless the coverage amounts are based on a written recommendation of a risk or insurance consultant.
- The rule removed the option for an alternative amount based on a verbal recommendation.

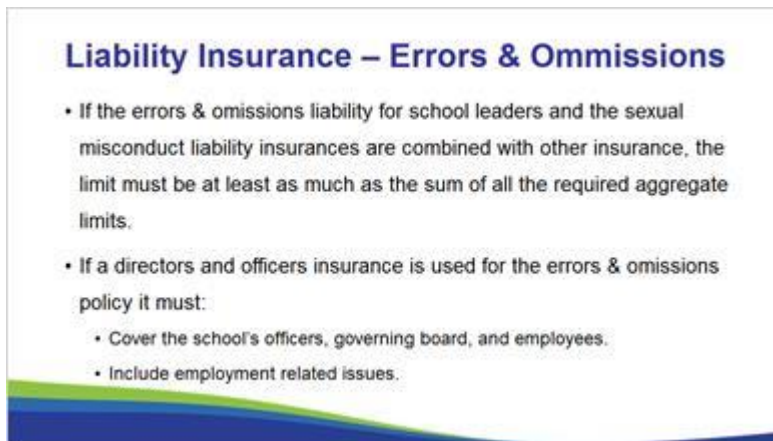
Notes:

This chart summarizes the required liability insurance for the Choice program. If the school has less than this amount, it must have a written recommendation of a risk or insurance consultant that indicates that the dollar amount is appropriate for their school.

All schools must have each of these insurances, even the auto liability insurance. If the school does not own any automobiles, it may obtain a non-owned auto liability policy.

The required insurance must be in place by August 1 of the first year a school participates in the Choice program and remain in place as long as the school is participating in the Choice programs.

6-7.5 Liability Insurance



Liability Insurance – Errors & Omissions

- If the errors & omissions liability for school leaders and the sexual misconduct liability insurances are combined with other insurance, the limit must be at least as much as the sum of all the required aggregate limits.
- If a directors and officers insurance is used for the errors & omissions policy it must:
 - Cover the school's officers, governing board, and employees.
 - Include employment related issues.

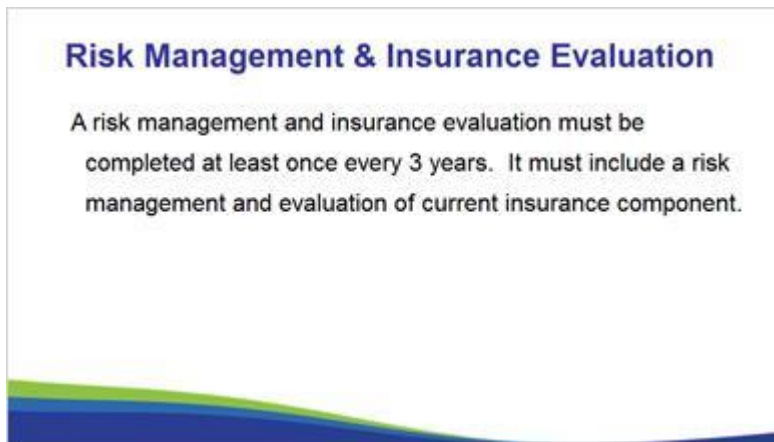
Notes:

If the errors and omissions liability for school leaders and the sexual misconduct liability insurances are combined with other insurance, the limit must be at least as much as the sum of all the required aggregate limits. Each of these policies require a \$1 million aggregate limit. So, for example, if the errors & omissions and the sexual misconduct liability insurances were combined, the aggregate limit would need to be \$2 million.

If a directors and officers insurance is used for the errors & omissions policy, the policy must specify that it covers the school's officers, governing board, and employees and that

it includes employment related issues.

6-7.6 Risk Management & Insurance Evaluation



Notes:


The school must have a risk management and insurance evaluation completed once every three years. It must include a risk management assessment and an evaluation of the current insurance components.

The risk management and insurance evaluation must be completed by a risk or insurance consultant. The school can have its own insurance agent complete the evaluation, but may want to have a different risk or insurance consultant complete it for an independent assessment.

6-7.7 Fidelity Bond

Fidelity Bond

- A school shall have a fidelity bond indemnifying the school against loss resulting from dishonesty, malfeasance, or neglect by owners, officers, and employees.
- The payments on the fidelity bond must be current.



Notes:

Each school is required to have a fidelity bond which indemnifies the school against loss resulting from dishonesty, malfeasance or neglect by owners, officers and employees. The payments on the fidelity bond must be current. Wisconsin administrative rule does not require that the fidelity bond be a certain amount. Schools should work with their insurance agents to determine the appropriate amount for their school.

Questions

Website: <http://dpi.wi.gov/sms/choice-programs>
Email: privateschoolchoice@dpi.wi.gov
Phone: 1-888-245-2732 ext. 3



Notes:

If you have any questions about the information discussed in this training, please see the

Private School Choice Programs homepage. The left menu bar of the Private School Choice Programs homepage has resources for both schools and parents.

Choice schools may also contact the Choice team at privateschoolchoice@dpi.wi.gov, or call the toll-free number at 1-888-245-2732, extension 3.